

2/4/25

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Dear Chair Tarawater and Members of the Kansas House Committee on Commerce, Labor and Economic Development:

Thank you for considering the following testimony in opposition to House Bill 2119. Thrive Allen County is a non-profit public health organization that services the rural communities throughout Allen County in Southeast Kansas. Allen County's annual median income level is less than \$58,000. This figure reflects a rate of income increase that has not kept pace with increases in home ownership or rentership costs in the county or the state of Kansas according to research done by the Kansas City Federal Reserve Bank, Wichita State Center for Economic Development and Business Research (CEDBR) and Kansas State University. In Allen County specifically residents earning the median or below the median income level experience predictable economic burdening associated with housing costs. Unfortunately this burden becomes extreme when considering those who are renters.

Considering the restricted income levels in Allen County and similarly rural counties throughout Kansas Thrive recognizes the material and intrinsic value added by the Affordable Housing Tax Credit (AHTC). The AHTC serves as a state-level match for federally administered Low Income Housing Tax Credits (LIHTC). When combined these incentives make development in capital-challenged communities possible. The incentives above can address capital necessities whereby development can occur to provide dignified and safe housing for existing and prospective residents in rural areas. Resulting private-public partnerships can thus directly combat population decline. The CEDBR population forecast for Allen County predicts a population decline of over 10% in the next ten years. That percentage only grows when isolated among the age cohort associated with the emerging workforce (20-39).

Nationally millions of new homes are needed to address the shortage of which many have become aware. Kansas is an example of that issue. 100,000 units of income appropriate housing for income earners similar to those within Allen County are necessary to address the current state shortfall. One means by which this shortfall is being addressed in Allen County is through the redevelopment of former elementary schools into multi-unit housing facilities. These facilities will feature both rental units and detached properties eligible for purchase. The presence of multiple levels of accessibility allows residents to progress toward prospective economic security associated with home ownership. The development group working to redeploy these properties will be unable to do so without the aforementioned tax credits. Kansans have long celebrated legislators' promise to promote and protect the potential of rural communities. We oppose House Bill 2119 which would eliminate the AHTC, contribute to higher housing costs and make rural community development much more difficult.

